



STATE OF TENNESSEE
DEPARTMENT OF EDUCATION
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NASHVILLE, TN 37243-0375

BILL HASLAM
GOVERNOR

CANDICE MCQUEEN
COMMISSIONER

June 1, 2015

RECEIVED

JUN - 2 2015

STATE AUDIT

Deborah V. Loveless, CPA, Director
Division of State Audit
James K. Polk State Office Building, Suite 1500
505 Deaderick Street
Nashville, Tennessee 37243-1402

Dear Ms. Loveless:

As required by Tennessee Code Annotated, section 8-4-109-(b), the Tennessee Department of Education is submitting the enclosed report of action taken to implement the recommendations in the performance audit of the department released in November 2014. The enclosed report includes a description of the corrective action that has been taken along with supporting documentation.

If there are questions, or if additional information is needed, please contact Chris Steppee, the department's Director of Internal Audit, at 615-532-6224.

Sincerely,

Dr. Candice McQueen
Commissioner

Enclosure

cc: Kathleen Airhart, Deputy Commissioner
Jeff Spalding, Executive Director, Fiscal Review Committee

TENNESSEE DEPARTMENT OF EDUCATION PERFORMANCE AUDIT FOLLOW-UP REPORT

FINDING # 1: ALTHOUGH THE DEPARTMENT HAS IMPROVED ITS MANAGEMENT AND OVERSIGHT OF SCHOOL-AGE CHILD CARE MONITORING PROGRAMS, IT HAS NOT FULLY IMPLEMENTED ALL RECOMMENDATIONS FROM THE PREVIOUS PERFORMANCE AUDIT

Since the issuance of the performance audit report in November 2014, there has been a significant management change for the school-age child care program in the department. At the end of March 2015, Jan Bushing, who had served as the director for many years, retired. The department has hired Misty Moody, formerly of the Martha O'Bryan Center, as the new director.

As noted in the department's response to the audit finding printed in the audit report, corrective action had been taken prior to the release of the audit report to address two of the three remaining concerns about the program:

Recommendation item # 1: The department should ensure child care program directors complete an annual report as required by statute. As noted in the finding, there was a problem related to directors of some school-age child care programs not signing corrected copies of the annual report each year.

TDOE corrective action: The department revised the annual report form for 2014-15 to ensure required information is captured. Please see attached **Exhibit A** for a copy of the first page of the template for the 2014-15 annual report and note that the person completing the annual report is required to enter name and date at the top of the electronic form. In addition, a policy has been put in place to support T.C.A. 49-1-1108(c) to ensure all entities have turned in their annual report by October 1 in order to receive a certificate for their current school year.

Recommendation item # 3: Where logical, management should periodically rotate inspectors (program evaluators).

TDOE corrective action: For the 2014-15 year, the department made changes to program evaluator assignments in 18 counties in the state. The following counties had complete or partial reassignment of evaluators for 2014-15: Benton, Carroll, Davidson, DeKalb, Dyer, Gibson, Hickman, Houston, Humphreys, Lake, Lawrence, Lewis, Macon, Madison, Obion, Perry, Smith, and Shelby. Additionally, beginning July 1, 2015, two additional program evaluators will be added to the Division of School-based Support Services. This addition will provide for a natural shifting of caseloads among all of the evaluators.

With the hiring of a new director in April 2015, the department has been able to move forward with implementing the remaining recommendation:

Recommendation item # 2: The school-age child care program director should make occasional site visits and accompany the child care inspectors (program evaluators) to child care sites to ensure inspections are thorough.

TDOE corrective action: Since coming on board in April 2015, the new director has begun making field visits with program evaluators. She has made the following field visits to program evaluators:

FINDING # 2: THE DEPARTMENT DOES NOT HAVE A CENTRALIZED PROCESS TO VERIFY LOCAL EDUCATION AGENCIES' SELF REPORTED DATA FOR ANNUAL SCHOOL APPROVALS

TDOE corrective action:

As noted in the response to the audit finding, the department agreed to convene a task force to review the school approval process. The task force met on March 11, 2015. See attached **Exhibit B** for a summary of the results of the task force meeting.

Based on the decisions reached during the meeting, the department is following through on enhancements to the school approval process. The department has implemented a process that solicits input from employees in the department who interface with school districts on a frequent basis prior to the annual school approval notification to school districts. For 2014-15, an email notification was sent to divisional staff on April 30, 2015 requesting that staff reflect on interactions with school districts during the 2014-15 school year and that staff report to a central point districts with unresolved problems or issues. Please see attached **Exhibit C** for an example of an email sent to staff in a division of the department. May 29, 2015 was the deadline for staff to submit items of concern.

The information collected in the process described above is being compiled and will be submitted to the department's executive leadership team for final review. No later than July 15, 2015, school districts will be advised of their school approval status for the 2015-16 school year. Districts will be designated as "approved" or "unapproved". A school district with a reported issue that is of concern but is not severe enough to warrant "unapproved" status will be sent a notification describing the compliance issue with a requirement that the district submit a plan for correcting the identified weakness or deficiency.

Provider Annual Report

REPORT COMPLETED BY (NAME)		DATE	
	Contact Information:		Email: _____

Enter your federal employer FEID# or the SS# of the responsible party if you do not have a FEID#. Enter your provider/agency type, based on your licensed status (R-Registered Day Care Home, F-Family Day Care Home, G-Group Day Care Home, C-Child Care Center). Enter the name of provider/agency as it appears on your license, certificate of approval, or registration certificate. Enter the total licensed capacity (spaces) of the agency, as indicated on your license, approval letter, or registration certificate.

Federal ID / SSN
 Provider Type
 Provider Name
 Licensed/Approved Capacity

Enter the physical location of your program (site where children are kept). Street 2 refers to an apartment or lot number (if you have one). Include area codes with all phone and fax numbers. Alternate phone could be a beeper or pager number. Cross street refers to the nearest street that intersects the street where your program is located. Identify the nearest cross street or landmark to your location (Ex. near St. Paul United Church).

Street
 Street 2
 City, State, Zip Code
 Phone
 Alternate Phone
 Fax
 E-mail Address:
 Cross Street/Landmark
 County

Only complete this section if your mailing address is different from the information given above.

Street
 Street 2
 City, State, Zip Code

Main Contact = Name of the director or the main person to contact.

Owner's name = name of the owner of the child care (i.e., individual, foundation, corporation, school system, business).

Chairman of the Board = name of the chairman of the board if your agency is non-profit.

Main Contact Name
 Owner's Name
 Chairman of the Board
 Site Director or Primary Caregiver

PERFORMANCE AUDIT SCHOOL APPROVAL FINDING TASK FORCE MEETING

MARCH 11, 2015 – 11:00 A.M. – SOUTHEAST CONFERENCE ROOM

ATTENDANCE:

KATHLEEN AIRHART, DEPUTY COMMISSIONER

CHRISTY BALLARD, GENERAL COUNSEL

TONY PRATT, DEPUTY ASSISTANT COMMISSIONER, DIVISION OF DATA AND RESEARCH

SAM BLACKMAN, INFORMATION SYSTEM ANALYST, DIVISION OF DATA AND RESEARCH

CHRIS STEPPEE, DIRECTOR OF INTERNAL AUDIT

Dr. Airhart provided opening comments related to the purpose of the meeting, i.e., to address the performance audit finding and recommendation on school approval.

Chris Steppee provided a more detailed overview of the audit finding and the recommendation.

Christy Ballard provided background information on state law and state board rule related to school approval. She discussed that school districts are authorized to operate by statute and state law does not specifically require the department to approve schools using any particular rubric or criteria. The State Board of Education rule requires the department to classify school districts as approved or unapproved but does not state how frequently these determinations need to be made. She stated she would like to see a revision to the State Board rule that deemphasizes “approval” of schools. She stated that school districts are authorized to operate under statute and while the commissioner and the department are charged with the responsibility of ensuring school districts comply with state education laws and rules, the concept of the department annually “approving” or “unapproving” schools and districts is not required by statute.

Christy also provided an overview of the compliance report directors of schools are required to submit annually. She stated most of these have been submitted for 2014-15, with only a few outstanding.

Tony Pratt and Sam Blackman provided an overview of the process involved in assigning school numbers for new schools and the approval process within the department for that. They also discussed the process for providing deficiency reports to school districts.

Chris Steppee discussed a possible plan for implementing the audit recommendation. The plan would involve a request for input to be sent out to the divisions/offices in the department that are involved in monitoring school districts, collecting and analyzing data on school districts, or otherwise interfacing with school districts on a consistent basis. Staff would be asked to reflect on their reviews, assessments, and interactions with school districts during the 2014-15 school year and to notify a designated contact person if there are any current unresolved issues and/or concerns relating to school district performance or operations. The contact person would review all staff submissions, and, in consultation with department leadership, make a determination as to approved or unapproved status. Assuming that

Chris Steppe

From: Chris Steppe
Sent: Thursday, April 30, 2015 4:53 PM
To: Joey Hassell; Allison Davey; Nathan Travis; Connie Casha; Jan Lanier; Elizabeth Roper; Tie Hodack; Theresa Nicholls; Rachel Wilkinson; Linda Hartbarger; Mike Herrmann; Lori Paisley; Pat Conner; Sarah C. White; Janell Wood; Kimberly Daubenspeck; Brenna Robinson; Misty Moody
Subject: Input for School Approval Process

Dear Colleagues:

Under the requirements of state administrative rule 0520-01-03-.01, the department is required to classify school districts as “approved” or “unapproved”. As a result of an audit finding, we are trying to improve the department’s compliance with this requirement. I am reaching out to you because you interact with school districts on a frequent basis. To ensure we are collecting information from throughout the department, please reflect on your division’s/office’s interaction with school districts during the 2014-15 school year. In the Division of Student Support, your work in—

- Conducting inspections of school-age child care programs,
- Managing and monitoring federal and state-funded before-school and after-school learning programs,
- Managing and overseeing the special education data system, EasyIEP,
- Managing and monitoring child nutrition programs,
- Managing and overseeing school district coordinated school health programs,
- Managing and overseeing various federal programs,
- Working with school districts on school safety, and
- Managing and overseeing early childhood education programs

gives you insight into school district compliance and performance.

Our focus in this process is to identify school districts that are having serious, persistent problems in complying with state and federal education laws, rules and regulations; managing financial and other resources; and/or providing a healthy and safe environment for students and staff. We are not asking you to report school districts that are responsive and demonstrate progress over time in correcting problems and issues that arise during the normal course of business. However, a district with a persistent serious issue or problem that demonstrates a lack of cooperation or unwillingness to take corrective action should be reported.

If there is a serious issue or concern, please report it me by May 29, 2015. This information will be compiled and presented to department leadership for review and further action.

—Thank you for your assistance and do not hesitate to contact me if you have questions.

Chris Steppee

Director of Internal Audit

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